

**Assembly Bill No. 1447**

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Passed the Assembly August 31, 2009

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*Chief Clerk of the Assembly*

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Passed the Senate August 24, 2009

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2009, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Section 8543.8 to the Government Code, and to amend Section 11771.5 of the Insurance Code, relating to the State Compensation Insurance Fund.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1447, John A. Perez. State Compensation Insurance Fund: audits.

Existing provisions of the Government Code establish the Bureau of State Audits under the direction of the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy in order to perform state audits independent of the executive branch and legislative control. Existing law provides that the head of the bureau is the State Auditor, appointed as specified. Under existing law, the State Auditor has statutory audit and evaluation duties and the authority to investigate any report of improper governmental activity within a state agency. Existing provisions of the Insurance Code establish that the State Compensation Insurance Fund is not subject to statutory provisions made applicable to state agencies unless the section specifically names the fund as an agency to which the provision applies. Exception is made specifically for, among others, provisions of the Government Code relating to the State Auditor.

This bill would clarify that the State Compensation Insurance Fund is a state agency for the purposes of the provisions of the Government Code establishing the bureau and its duties and authority, as specified.

Existing law requires any advertising of the State Compensation Insurance Fund to include a disclaimer stating that the State Compensation Insurance Fund is not a branch of the State of California.

This bill would instead require the disclaimer to state that the State Compensation Insurance Fund is self-supported and is not funded by the State of California.

*The people of the State of California do enact as follows:*

SECTION 1. Section 8543.8 is added to the Government Code, to read:

8543.8. For purposes of this chapter, the State Compensation Insurance Fund is a state agency as that term is defined in Section 11000.

SEC. 2. Section 11771.5 of the Insurance Code is amended to read:

11771.5. Any advertising of the State Compensation Insurance Fund shall include the following disclaimer: “The State Compensation Insurance Fund is self-supported and is not funded by the State of California.”

Approved \_\_\_\_\_, 2009

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*Governor*